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E-FILED 7/20/07

NOT FOR CITATION
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

AVAGO TECHNOLOGIES GENERAL IP PTE
LTD. and AVAGO TECHNOLOGIES ECBU IP
LTD.,

Case No. C04-05385 JW (HRL)

Plaintiffs,

**ORDER ON MOTION TO STRIKE
PORTIONS OF DEFENDANTS' EXPERT
REPORT OF PROFESSOR BERTHOLD
K.P. HORN**

v.

ELAN MICROELECTRONICS CORP. and
ELAN INFORMATION TECHNOLOGY
GROUP,

Re: Docket No. 287

Defendants.

This is a patent infringement action involving two patents ("the '780 patent" and "the '804 patent") for sensors used in optical computer mice. Avago sues for infringement and Elan counterclaims for invalidity.¹ Avago moves to strike portions of Defendant's expert report by Berthold K.P. Horn ("Horn Report") for non-compliance with the local patent rules.

1. Horn Report ¶¶ 87-93: New Invalidity Theory

Plaintiff first moves to strike paragraphs 87-93 on the basis that they assert an invalidity theory for the '804 patent based on lack of written description and enablement pursuant to 35

¹ Although there are multiple plaintiffs and multiple defendants, for convenience, they are here referred to in the singular as "Avago" and "Elan."

1 U.S.C. § 112 ("the § 112 theory"). According to Plaintiff, Defendant did not include this theory
2 in its original Final Invalidity Contentions ("FIC") and did not seek leave of the court to amend
3 the FIC to include the § 112 theory for the '804 patent. Elan, however, claims it was granted
4 leave to amend its FIC for this theory.

5 Several months after the claim construction hearing on Elan's original FIC, Elan notified
6 Avago of its intent to file a motion for summary judgment on new theories. Specifically, Elan
7 said it had invalidity arguments for the '780 and '804 patents based on 35 U.S.C. § 112.² Avago
8 objected because the § 112 theory was not in the FIC. During meet and confer, Elan's counsel
9 sent a letter to Avago attaching proposed FIC which added the § 112 theory only for the '780
10 patent.³ When these negotiations failed, Elan moved this court to amend its FIC. Before that
11 motion was heard, Elan filed for summary judgment on both '780 and '804, but argued the § 112
12 theory only for the '780 patent. [Docket Nos. 232 and 239]. Two weeks after the summary
13 judgment motions were filed, the parties appeared before this court on Elan's motion to amend
14 the FIC. The order that followed [Docket No. 252] granted Elan's motion. Elan then served an
15 amended FIC which included the § 112 theory on both patents.

16 It is necessary to first consider Elan's motion to amend its FIC and the context in which
17 it was decided to examine whether Elan now permissibly includes the § 112 theory on the '804
18 patent. Defendant acknowledges that in its motion to amend, the '804 patent was mentioned
19 only in passing. In fact, Elan's ten page brief includes a single sentence specifically referring to
20 the '804 patent.⁴ As part of the declaration in support of that motion, Elan attached the earlier
21 letter to Avago and proposed FIC attachment in which Elan sought amendment of '780 only.⁵
22 Furthermore, the motion to amend makes clear that its purpose is to cure the procedural defect
23

24 ² Elan's intention to pursue these theories was disclosed to Avago in a March letter
25 and in an administrative request. *See*, Kim Decl. Exs. I and H..

26 ³ Rader Decl. to Motion to Amend, Ex. L.

27 ⁴ Elan also points to the use of plural language when it referred to the invalidity
28 arguments and theories. However, the burden was on Elan to show good cause for leave to
amend with respect to each new invalidity argument.

⁵ Rader Decl. to Motion to Amend, Ex. L.

1 in the filed-but-not-yet-heard summary judgment motion (i.e., to add to its FIC the new
 2 invalidity argument for the '780 patent). Finally, this court's order granting the amendment to
 3 the FIC specifically limits it to one of Avago's patents (i.e., the '780 patent). Elan chose not to
 4 pursue amendment to its FIC to add the § 112 theory for the '804 patent; it can not rewrite
 5 history now to include what it did not seek before.⁶

6 Even after concluding that the Horn paragraphs relating to the § 112 theory on the '804
 7 patent should be stricken, there is still the question of which paragraphs are implicated. The
 8 report indicates that paragraphs 91-93 are the introductory paragraphs to Horn's comparison of
 9 prior art to claim 14 of the '804 patent.⁷ Avago has raised no concerns with respect to this
 10 particular topic, and the court sees none. Therefore, Plaintiff's motion with respect to
 11 paragraphs 87-90, which pertain to invalidity for lack of written description and enablement
 12 under 35 U.S.C. § 112 for patent '804, is GRANTED. Plaintiff's motion to strike paragraphs 91-
 13 93 is DENIED.

14

15 **2. New Prior Art Citations, Omitted Citations and Conflicting Conclusions**

16 Based on the arguments addressed below, Avago moves to strike these paragraphs and
 17 the claim chart exhibits (created by the expert) incorporated into those paragraphs.

18

a) Horn Report ¶ 54 and Ex. 15: New Citations to Prior Art References

19 Avago argues that paragraph 54 and associated exhibit 15 should be stricken because the
 20 expert relies on different prior art pinpoint citations than those in Elan's 3-3 claim charts.⁸ The
 21 antecedent of this dispute is Avago's earlier motion to compel more specificity in Elan's claim
 22 charts. [Docket No. 156]. There, Elan used the signal "see e.g." for its pinpoint citations to

23

24 ⁶ Although not decided here, the likelihood that Elan would now be granted leave to
 25 amend is also considered. Of particular concern is the prejudice to Avago at this stage of
 26 litigation and concerns over Elan's diligence in seeking this amendment. *IXYS Corp. v.*
Advanced Power Tech., Inc., 2004 US DIST LEXIS 10934, *3-*4 (N.D. Cal.) (in the
 amendment determination, "prejudice is the touchstone of the inquiry").

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⁷ "91. [...] I now compare the prior art to claim 14 of the '804 patent."

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⁸ Elan's 3-3 claim chart cites to 6:64-7:5 of the Jackson Patent, while Elan's expert
 cites to Figs. 3A and 3B, col. 9:1-12, 9:54-58, and 11:28-34 of the same.

1 prior art reference page or column numbers. Avago's motion was denied, but the order relied in
2 part on Elan's representations in open court "that the exemplar given with the signal is the prior
3 art reference that will be relied upon." [Docket No. 202]. Avago interprets this order as
4 precluding Elan from relying on different pinpoint citations than those in the FIC. Elan,
5 however, contends that the court's use of the term "prior art reference" refers to the entire prior
6 art document (or alternatively, to a particular concept from that prior art document), not the
7 pinpoint citation. Thus, Elan denies that the order limits it to a specific page or line of text.

8 Elan's argument respecting the definition of "prior art reference" ignores the distinction
9 between Local Patent Rules 3-3(a) and 3-3(c).⁹ Unlike 3-3(a), 3-3(c) requires Elan to cite
10 specifically within the prior art reference, not merely to the entire document or some general
11 element therein. This court's conclusion that Elan met 3-3's requirements explicitly relies upon
12 the representations made at oral argument by Elan's counsel that it had chosen and specifically
13 cited its best example and would not assert unspecified others. Defendant is limited to the
14 pinpoint citations disclosed in its FIC. *Atmel Corp. v. Information Storage Devices*, 1998 U.S.
15 Dist. LEXIS 17564, *7-*8 (N.D. Cal.). Accordingly, the motion to strike paragraph 54 and
16 exhibit 15 is GRANTED.

b) Horn Report ¶ 57 and Ex. 17: Omitted Citations

18 Avago moves to strike paragraph 57 and associated exhibit 17 because Horn omits
19 many of the references Elan originally relied upon in its claim chart. In the exhibit, Horn cites
20 to 7-9 of the Jackson patent. Avago complains that, although Elan cited 7-9 of Jackson in its 3-
21 3 claim chart, it also cited 5 and 18-21. As such, Avago contends that these references are
22 "decoys" intended to hide Elan's "real" theories. Elan counters that it is not required to utilize
23 all references cited in its FIC.

24 Where a party has not relied on all, or many, of its original claim chart citations, courts
25 typically favor giving the disclosing party latitude in "over-citing" invalidity arguments in its

27 ⁹ Local Patent Rule 3-3(a) requires that the FIC include " the identity of each item of
28 prior art" upon which the party intends to rely. Rule 3-3(c), on the other hand, requires "a
chart identifying where specifically in each alleged item of prior art each element of each
asserted claim is found."

1 FIC. Because the local patent rules limit parties to those arguments disclosed in the FIC, it
2 would be unfair to punish parties that are careful to include all potential arguments early in the
3 litigation. *Atmel Corp. v. Information Storage Devices*, 1998 U.S. Dist. LEXIS 17564, *7-*8
4 (N.D. Cal.). Elan's expert is not required to incorporate every citation from Elan's claim chart
5 and the court will not strike portions of the report on this basis. Accordingly, Plaintiff's motion
6 to strike paragraph 57 and exhibit 17 is DENIED.

7 **c) Horn Report ¶¶ 66 and 74 and Exs. 21 and 22: Conflicting Conclusions**

8 Relying on the omitted citation argument (explained above) and further claiming that
9 Horn's conclusions are inconsistent with Elan's claim chart conclusions, Avago moves to strike
10 paragraphs 66 and 74 and exhibits 21 and 22. Paragraph 74 of the Horn Report, along with
11 exhibit 22, detail "how each element of the asserted claim 4 [of '780] is taught or suggested by
12 Adan in view of Jackson and/or Szeliski." Elan concluded that Adan teaches that the patent is
13 obvious, citing to Figure 4 of Adan and associated text. Avago finds inconsistency where the
14 expert concludes that the Adan patent does not specifically teach this point and where the
15 expert's chart does not cite to Adan. Avago makes a nearly identical argument with respect
16 to paragraph 66 and the associated exhibit 21.¹⁰

17 Review of these portions of the report identified by Plaintiff as inconsistent reveals no
18 basis for striking. Although the expert clarifies the conclusions reached by Elan, there is no
19 obvious inconsistency. Further, the expert relies on portions of prior art that were previously
20 disclosed. Therefore, even though the particular combinations were not disclosed, Avago had
21 fair notice of the potential for those conclusions.¹¹ Accordingly, Plaintiff's motion to strike
22 paragraphs 66 and 74 and exhibits 21 and 22 is DENIED.

23
24 ¹⁰ Paragraph 66 incorporates exhibit 21, which "details how each element of the
25 asserted claim 4 [of '780] is taught or suggested by the Tanner references in view of Jackson
26 and/or Szeliski." Horn concludes, according to Avago, that Tanner does not disclose the
"correlation surface" limitation and does not cite specifically to Tanner. Elan's claim chart
concludes that the Tanner reference discloses that limitation and cites extensively to Tanner.

27 ¹¹ *IXYS Corp. v. Advanced Power Technology, Inc.*, 321 F.Supp.2d 1133, 1153, n. 19
28 (N.D. Cal., 2004) (although defendant never suggested specific combination of references in
its invalidity contentions, as required under Local Rules, the court permitted the claim
because plaintiff had long been on notice of the potential combination).

1 **3. Horn Report ¶¶ 15-16: New Prior Art**

2 Finally, Plaintiff moves to strike paragraphs 15 and 16 on the basis that the expert relies
 3 on previously undisclosed prior art references to show the state of prior art for the '780 patent.¹²
 4 Elan counters that Avago was put on notice of these references because they were cited in the
 5 previously disclosed Szeliski reference. Additionally, Defendant argues that the expert is not
 6 relying on these documents, but is merely "working backwards from" the Szeliski reference.

7 Paragraph 15 begins by identifying the P. Anadan article¹³ cited to in the Szeliski
 8 reference. Horn then explains the general content of that article, stating that it "includes a
 9 thorough comparison of 'gradient-based' and 'correlation-based' methods for determining motion
 10 from image sequences." Additionally, Horn cites to particular portions of the Anadan article,
 11 including a reference to a page of Anadan which discusses earlier use of "confidence
 12 information" by various authors, specifically named in the paragraph. It then mentions other
 13 publications by Anadan which pertain to the state of the prior art of the '780 patent. The
 14 paragraph concludes by quoting from the abstract of the Anadan article. In paragraph 16, Horn
 15 states that his conclusion on the state of prior art is based on the "above references."

16 Horn is not "merely working backward" from Szeliski.¹⁴ The report elaborates on the
 17 Anadan article. Further, the references do not end there. The identification of various authors
 18 cited within Anadan, as well as references to other Anadan publications, raise the inference that
 19 Elan might rely on any of these. Here, Horn relies on previously undisclosed prior art in
 20 reaching his conclusion. Local Rule 3-3(a) requires Elan to identify those references it intends
 21 to rely upon. That was not done here. Thus, the motion to strike paragraphs 15 and 16 is
 22 GRANTED.

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 24
 25 ¹² It is undisputed that Elan served these articles the day after the expert report was
 26 served. *See*, Steinsapir Decl., Ex. 10.

27 ¹³ The article is entitled, "Measuring Visual Motion from Image Sequences."

28 ¹⁴ The fact that the Anadan article was cited in Szeliski is no help to Elan. That an
 29 article is cited in a disclosed prior art reference is insufficient notice that a party intends to
 30 rely on the article.

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2 **IT IS SO ORDERED.**
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HOWARD R. LLOYD
UNITED STATES MAGISTRATE JUDGE

United States District Court

For the Northern District of California

1 THIS SHALL CERTIFY THAT A COPY OF THIS ORDER WILL BE SENT TO:

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16 * **Counsel are responsible for providing copies of this order to co-counsel.**

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18
19 Dated: 7/20/07

20
21 /s/ KRO
22 Chambers of Magistrate Judge Lloyd

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